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**Statement for the U.S. House of Representatives Ways and Means Committee
Record**

Girl Scouts of the USA

Anna Maria Chávez, Chief Executive Officer

“Hearing on Tax Reform and Charitable Contributions”

On behalf of Girl Scouts of the USA and our 3.2 million members, 59 million alumnae, and 112 councils, we appreciate the opportunity to share our story and comment on proposals to modify the charitable deduction and its value.

Girl Scouts is proud to partner with other youth-serving organizations to ensure that nonprofits can survive and thrive as employers and continue to provide services in these troubled times, and we see the incentives of charitable giving as necessary to achieving our mission. With our partners who are also submitting comments, we share three basic principles that we would like to see applied to policy proposals: 1) tax policy should encourage charitable giving; 2) the nonprofit sector is important and should remain diverse and independent; and 3) the nonprofit sector should honor the public trust through transparency and accountability.

The mission of Girl Scouts is to develop girls of courage, confidence, and character, who make the world a better place. For over 100 years, Girls Scouts has offered experiential learning in a nurturing environment. The largest organization for girls in the world, Girl Scouts is the preeminent leadership development organization and the leading authority on girls' healthy development. We serve girls ages 5 to 17 from every corner of the United States and its territories, with value placed on diversity and inclusiveness, and deliver our leadership experience to nearly 17,000 American girls living outside of the United States in 91 countries.

Our programs, and those of other youth development and nonprofit human service agencies, are critical to getting children and youth ready for college, work, and life. Generally speaking, our private donations support volunteer recruitment, training and development, original research on issues affecting girls, advocacy programs, multicultural outreach, and leadership programs on STEM, healthy living, and financial literacy. The outcomes from this support are substantial. From recent Girl Scout Research Institute reports, we know that compared with non-alumnae Girl Scout alumnae feel better about themselves, are more active as mentors and community volunteers, vote more regularly, are better educated, and enjoy higher household incomes. This is particularly true for women who were Girl Scouts in their youth for three or more years. Also, leadership experiences such as those offered through Girl Scouting contribute to higher academic engagement and achievement.

Regularly, Girl Scout alumnae share with us how their Girl Scout experiences have contributed to their success in life; others tell us about the difference Girl Scouting makes in their communities. We see this community impact in the Take Action projects done by recipients of our Gold Award, the highest achievement in Girl Scouting. Similar to the Eagle Scout, the Girl Scout Gold Award enables recipients to enter the Armed Forces one grade higher in rank than other enlistees, having already proven themselves as leaders. Indeed, Gold Award recipients, though still in high school, have already changed the world. The 2013 Girl Scout Gold Award recipients implemented diverse projects that saw them building libraries for migrant children,

hosting large-scale events for travel to Tanzania to build water retention systems, and increasing high school girls' knowledge about and interest in STEM careers, to cite just a few examples.

But all of this great work could be in jeopardy. Due to federal budget cuts, GSUSA has experienced a significant drop in government grants compared to previous years. And owing to the continuing economic crisis, Girl Scout councils, which used to offer a multiple employer-defined pension plan for more than 13,000 participants, had to freeze the defined-benefit plan. We currently project that for the 2014–2016 plan years, GSUSA will be required to contribute approximately \$145 million—a 33 percent increase in expenses—to fund the pension deficit. This is resulting in Girl Scout councils considering options such as layoffs and program cuts, which could have far-reaching and unfortunate consequences, chief among them that councils will be able to serve fewer girls.

We support preserving the deduction for charitable giving and ask that the Committee reject proposals to limit the value of these deductions. In the wake of the financial crisis of 2008, nonprofit organizations still struggle to meet increased demand and raise the necessary funds for critical services. We ask that Congress look for opportunities in tax policy to encourage Americans to give more to charitable organizations, not less. Certainly the charitable deduction is a powerful incentive, with studies showing that tax policy greatly shapes the size and number of charitable donations made by taxpayers. (The power of the incentive can be seen in the timing of charitable giving, with more than 20 percent of annual online charitable donations made on December 30 and 31.) It has been estimated that, with no deduction for charitable gifts, annual giving would drop by 25 to 36 percent, and the proposed cap could cost charities as much as \$7 billion a year in contributions. Further, the revision would come on top of the nearly \$20-billion annual decrease in giving since the economic downturn began.

In this critical time for the nonprofit community, including youth-serving organizations, we acknowledge and support the need to put our nation on a more sustainable fiscal path. But we urge you to preserve a powerful incentive for giving by considering this issue through the eyes of the youth who are served by charitable organizations. If the tax code no longer encourages Americans to give to charity as generously as they currently do, fewer children will receive the community supports and services they need in order to become successful adults.

Chairman Camp and Ranking Member Levin, thank you for your leadership and your consideration of this vital issue.

*Founded in 1912, **Girl Scouts of the USA (GSUSA)** is the preeminent leadership development organization for girls, with 3.2 million girl and adult members worldwide. Girl Scouts is the leading authority on girls' healthy development, and builds girls of courage, confidence, and character, who make the world a better place. The organization serves girls from every corner of the United States and its territories. Girl Scouts of the USA also serves American girls and their classmates attending American or international schools overseas in more than 90 countries. For more information on how to join, volunteer or reconnect with, or donate to Girl Scouts, call 800-GSUSA-4-U or visit www.girlscouts.org.*

GSUSA's Public Policy and Advocacy Office, located in Washington, D.C., works in partnership with local Girl Scout councils to educate representatives of the legislative and executive branches of government and to advocate for public policy issues important to girls and Girl Scouting. For more information, contact us at 202-478-9791 or Sschaefter@girlscouts.org.